

MONTANA RIGHT-OF-WAY DESIGN MANUAL

Chapter Twenty-Seven PROGRAM MODIFICATIONS AND CLOSING/REOPENING

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Chapter Twenty-Seven PROGRAM MODIFICATIONS & CLOSING/REOPENING

27-1 OVERRUN AND NON-AGREEMENT

Right-of-way costs in excess of the estimated costs will result in an "overrun" of funds from the original programmed amount or an already modified program. To ensure Federal-aid participation in such overrun costs, it is necessary to modify the agreement to revise the amount of the program to include the additional costs. The Financial Specialist will make periodic inspections of the detail ledger, various reports and overrun report to ensure projects stay within the agreement amount. The Financial Specialist will initiate requests to the Fiscal Programming Section for modification of programs and agreement status as necessary to avoid overruns and to correct overruns. Overruns may be caused by such things as revised project scope, original cost estimates lower than actual costs, litigation costs and other factors. The Financial Specialist will prepare a project modification worksheet listing all parcels that are still open, including why they are open and with assigned dollar amounts and all other pertinent information required on the form. The Financial Specialist, with the assistance of the Auditor in the Real Estate Services Section, will review the amounts in holding accounts, anticipated court awards in condemnation actions, fencing agreements, railroad agreements and other negotiation factors to acquire the best possible estimate for modifying the right-of-way program.

27-2 CLOSING PROJECT AGREEMENTS

Right-of-way project agreements are to be closed out as soon as possible after the construction project for which the right-of-way was acquired has been let to contract, and after all right-of-way parcels have been acquired.

Right-of-way projects that do not involve physical construction, such as projects for access control only or projects that will not be let to contract for some time, are to be closed as soon as possible after the last parcel has been acquired.

The closing process is to be handled as follows:

 Closing Memo Preparation. Within 30 days of the award of the construction project where right-of-way was involved, a closing memo is to be prepared by the Financial Specialist in the Design/Plans Section and transmitted to the Real Estate Services Section for review. The Real Estate Services Section Auditor will review its records for the project to determine if all acquisition functions and accounts are complete.

The forms to be used for this purpose are:

- R/W 620 FEDERAL FUNDED PROJECTS.
- R/W 623 STATE FUNDED PROJECTS.
- R/W 624 OFF-SYSTEM BRIDGES (FEDERAL FUNDED). Use only if multiple bridges are programmed under one (1) r/w agreement, otherwise use R/W 620.
- 2. <u>Closing Memo Transmitted</u>. When notified by memo from the Real Estate Services Section that all functions, records and accounts are completed, the Right-of way Design/Plans Section Financial Specialist shall send a memo to the Accounting Bureau's Financial Management Section that the right-of-way agreement may now be closed.

27-3 REOPENING PROJECT AGREEMENTS

If it becomes necessary to reopen a Federal-aid right-of-way project after the r/w phase has been closed, the following procedures for a given instance will be followed:

- 1. <u>Funding Considerations</u>. Any request to reopen a project should be done when it involves a minimum of \$5,000.00. If less than that amount, generally overhead funds are used to cover the costs.
- 2. <u>Initiating Correspondence</u>. In any event, email to the Financial Management Bureau, generated by either the Design/Plans Section or the Real Estate Services Section, is sufficient to initiate the re-opening of a project.
- 3. <u>"C" Status.</u> If a project is in "C" status (closed but not finaled to FHWA), then we have 30 days after the closing to have the project re-opened.
- 4. <u>"F" Status.</u> If a project is in "F" status (finaled by FHWA), we still have 30 days from that date to reopen a project, which does require a little more effort to do.
- 5. <u>"D" Status.</u> If the project is in "D" status (deleted by FHWA), we can no longer reopen the project and will have to charge any costs to overhead.